

You wont forget that the Auditor General has no real power to interfere with the desires of the Government to make payments. His decisions that applications should not be passed are all appealable to the Treasury Board. The essence of his duties is to lay all the facts before Parliament, and therefore before the people who are the really interested parties. The Government has full power to do as it wishes in everything, with the knowledge that all the material facts which bear upon its monetary transactions will be made public if the Audit Office should succeed in finding them out.

If your Minister and his colleagues determine that the Government should have the right to withhold from the Audit office public documents connected with items of expenditure, I would suggest that Parliament be asked to authorize their wishes. I would not otherwise be justified in changing my course after conducting the work for nearly 20 years on the principles which I am now upholding, and with knowledge of Parliament.

I am, sir, your obedient servant,

The Act'g Dep. Minister of Railways and Canals. J. L. McDOUGALL, A.G.

RAILWAYS AND CANALS DEPT., OTTAWA, December 29, 1897.

SIR,—I have the honour to acknowledge the receipt of your communication of the 22nd ultimo, in further reference to your request to be furnished with copies of reports of inspecting engineers in connection with the St. Stephen and Milltown Railway. In reply, I can only say that the reports to which you refer are now, as they always have been, open to your inspection in the department.

I am, sir, your obedient servant,

The Auditor General. COLLINGWOOD SCHREIBER, D.M., R. & C.

AUDIT OFFICE, OTTAWA, December 30, 1897.

SIR,—I have your letter of the 29th instant in reply to mine of the 22nd instant.

It seems to me that you forget that my audit is in every case subject to the review of the Public Accounts Committee and that therefore, apart from every other consideration, it is necessary that I should have in this office all the documents on which my audit is based, ready for transmission to the Public Accounts Committee.

If you look at the letter of the 10th November, signed by the secretary of the department, you will agree that I had scarcely a right to conclude that the whole objection of the department was to the sending of the documents to me, the department being willing to allow inspection in its offices. I mention this as a justification for my devoting the most of my reply to other objections which I thought were entertained in your department.

I am, sir, your obedient servant,

The Deputy Minister, Railways and Canals. J. L. McDOUGALL, A.G.

AUDIT OFFICE, OTTAWA, January 21, 1898.

SIR,—I have your letters of yesterday stating that you are desired by the Minister to express surprise that cheques have not yet been issued for the subsidies to the Montreal and Ottawa Railway Company and the Gulf Shore Railway Company.

I replied on November 2nd to your application for the payment of the former of these subsidies asking for the report of the inspector. There was no need of repeating the request so far as the Gulf Shore was concerned.

If you refer to our correspondence on the general question, you will see from my letter of the 30th ulto., the last which passed between us on the subject, that I mention objections to doing as you desire that I should, that is, obtain my information by send-